

Statement of
Mike Newberry
Before the
House Agriculture Committee,
Subcommittee on General Farm Commodities and Risk Management
Valdosta, Georgia
March 28, 2006

Mr. Chairman, thank you for the opportunity to provide remarks on the next farm bill. My name is Mike Newberry. I operate a diversified farming operation in Early County, producing corn, cotton, peanuts, wheat, and soybeans. We also have a beef cattle operation. I am a fourth-generation family farmer.

I am honored to add my welcome to Georgia to you and the members of the subcommittee and special guests. I am a constituent of Congressman Bishop and want to thank him for bringing this hearing to Georgia.

I believe at least one other witness will focus on Georgia's cotton industry and the cotton program, so I will briefly address cattle, corn, cotton, and peanuts. .

Georgia producers have been well served by the current farm bill, and we strongly support its balanced approach to commodity, conservation, nutrition, and rural development.

We believe it provides a stable and effective national farm policy for this country. As you know, it constituted a significant change for the peanut industry, so we are still making adjustments. The current law includes benefit delivery provisions that provide needed support in times of low prices without distorting overall planting decisions. An effective marketing loan provision allows U.S. cotton and other commodities to be price-competitive in a global market. I believe that the peanut loan repayment has been set too high. This mistake has caused a loss of a portion of our export market that is important to our livelihood. Current law also contains sufficient planting flexibility provisions to allow producers to react to market signals.

For many years farmers have been known as food and fiber producers. It is now a fact that we also produce energy. The fledgling ethanol industry must be encouraged in every practical manner to ensure its growth, which will in turn result in increased needs for grain.

The national animal ID system is now in the spotlight after a cow was found in Alabama with BSD. We must decide how to implement this system instead of arguing that it is impossible to accomplish.

And it is critical that current law be allowed to operate, without major modification, through its scheduled expiration with the 2007 crop so that producers can continue to make responsible investment, cropping, and marketing decisions.

Mr. Chairman, as your committee begins consideration of the next farm bill, we believe it is critical for Congress to provide adequate budget authority in order to craft an effective farm bill.

Secondly, we understand that the outcome of the current Doha trade negotiations could impact the makeup of our next farm bill. Peanut producers are very concerned about granting market access to Less Developed Countries.

Given the challenges of these two critical policy areas, we support continuation of the current structure of farm programs as contained in the 2002 Act. The combination of direct and counter-cyclical payments provides an effective means of income support, especially in periods of low prices, without distorting planting decisions. We strongly support continuation of a marketing loan program without limitations so we can be competitive in domestic and international markets.

In addition to sound farm program provisions, it is critical to ensure that farming operations, which are commercially-viable and designed to achieve an economy of scale, be eligible for program benefits. The size and structure of farming operations varies by region and cropping pattern. Current limitations unfairly penalize highly efficient operations and operations with certain cropping mixes, which include combinations of high-value crops such as cotton, peanuts, and rice. We believe Congress should at the very least maintain current limits, including the separate limit for peanuts.

Conservation programs are an important component of farm policy. The Conservation Reserve Program, the Conservation Security Program, and Environmental Quality Incentives Program are proven, valuable ways to promote sound conservation and environmental practices through cost-share, incentive-based approaches.

Mr. Chairman, we recognize that your committee and Congress face numerous challenges crafting new farm legislation. I would emphasize that adequate spending authority, effective trade policy, and the current farm program will form a solid foundation for the next legislation.

Thank you again for the opportunity to present these remarks.